

Report of Investigation

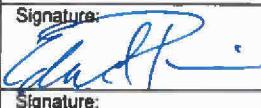
Title of Investigation:
Operation Sheriff of NottinghamInvestigation Number:
772010-16-0005Report Number:
76

SUMMARY OF EVENT

Undercover trade of approximately (300) pieces of "prop" merchandise in exchange for approximately (117) grams of cocaine.

NARRATIVE:

1. **UNDERCOVER CONTACT:** On August 31, 2016, at approximately 13:57 hours, ATF Special Agents (S/A) Christopher J. Labno and Ricky Villacis, along with Chicago Police Department (CPD) Humberto Gutierrez, acting in an undercover capacity, met with Terry FERGUSON, white male, DOB: 05/26/1964, FBI#: 925984AA1, SID#:IL23409850 and traded approximately (300) pieces of "prop" clothing for approximately (117) grams of cocaine.
2. S/A Labno should note that this undercover transaction was previously arranged through recorded telephone calls and text messages between S/A Labno and FERGUSON which are documented in a separate Report of Investigation (ROI). Prior to this undercover contact, both S/A Labno and S/A Villacis were equipped with disguised audio and video recording devices as well as an electronic transmitter. This report is based upon Agents' observations as well as a review of the electronic surveillance evidence associated with this transaction. S/A Labno should further note that the (300) pieces of "prop" clothing consisted of approximately (180) North Face backpacks and (120) North Face Denali fleece jackets.
3. On this same date, at approximately 13:55 hours, Agents drove eastbound on 72nd Street Chicago, Illinois. Agents then continued driving through the Nottingham Park area, driving westbound on 73rd Place. Agents then parked in front of 7028 W. 73rd Place, Chicago, Illinois. At approximately 13:57 hours, S/A Labno then placed a call to FERGUSON at (708) 705-4063. Before this call was answered, S/A Labno observed FERGUSON pull into the drive way of 7028 W. 73rd Place driving his grey Ford F150 bearing Illinois license plate 1423262B.
4. Agents then exited their undercover vehicles and S/A Labno greeted FERGUSON. S/A Labno then displayed to FERGUSON boxes containing approximately (120) North Face Denali fleece jackets in the back of the undercover sport utility vehicle (SUV). S/A Labno then showed FERGUSON approximately (180) North Face back packs in the back of an undercover box truck. After examining the items, FERGUSON complained that "The problem here is you got everything the same. Before it was always different." FERGUSON then

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continued to explain that the previous items which he had traded or purchased from S/A Labno were different in color and design which made them easier to sell. The conversation turned briefly to DOMINGUEZ and FERGUSON advised that "he's still in the county. They have him on a probation hold."

5. The conversation then went back to the "prop" clothing with FERGUSON complaining that he would have trouble getting rid of the similar items. FERGUSON stated, "No way I'm gonna move these. Believe me bro, I've been doing this for years. I need colors, options—like before." S/A Labno then asked FERGUSON what he had been selling the North Face Denali jackets for in the past. FERGUSON responded, "We were selling them at \$30.00 a piece." With regard to the backpacks, FERGUSON indicated that he had recently purchased stolen backpacks—real items not knock-offs. Specifically, FERGUSON stated, "I just bought the LeBron James backpacks for \$22.00 a piece. They retail for \$80-\$90 in the store. They're top of the line backpacks."
6. At this point, S/A Labno and FERGUSON continued to bargain over how much cocaine FERGUSON would provide for the merchandise. S/A Labno told FERGUSON, "You're making something on the other, so six of them [ounces]. FERGUSON responded, "uh uh, I can't. Four." S/A Labno suggested five [ounces] and FERGUSON stated, "I can't do it. I will sit on these till Christmas. That will kill me. This is laying me down. As a salesman you know. Let me give you a hundred of the same radio and let you sell them." S/A Labno agreed that he understood and asked about cigarettes, telling FERGUSON that on the next deal he (S/A Labno) wanted to trade cigarettes for "a whole one" [kilogram of cocaine]. FERGUSON responded, "Yeah, we'll cross that bridge when we come to it."
7. S/A Labno observed that FERGUSON appeared to become more and more nervous as this conversation continued. Specifically, Agents noted FERGUSON looking around, being startled when a car drove by and refusing to use certain words to describe narcotics—all uncharacteristic of their previous encounters and controlled purchases with FERGUSON. The conversation turned back to negotiations regarding the cocaine for North Face merchandise. S/A Labno asked FERGUSON, "What are you at for a zip? Eight hundred or a stack (a thousand dollars)?" FERGUSON responded "I don't even know what that is." S/A Labno answered, "an ounce." FERGUSON responded, "I don't even talk like that. It's four thousand." S/A Labno agreed saying, "Okay, fine. Just so you know I want that." FERGUSON advised, "That's pretty much where we are: four." S/A Labno responded, "All right, I'll do four."
8. FERGUSON then told S/A Labno, "Give me five minutes. I'll tell you where to go—you know, give me five minutes. Two blocks." S/A Labno asked, "The one where he used to live?" FERGUSON responded, "No, that's one, the third block." S/A Labno again brought up the future cigarette for cocaine transaction and FERGUSON again appeared extremely nervous and then explained his behavior. Specifically, FERGUSON stated, "Like I said, we'll cross that bridge when we come to it. One thing at a time. I'm seeing you for the first time in how long?" At approximately 14:12 hours, FERGUSON told Agents to give him five minutes and Agents then observed FERGUSON enter the grey Ford F150 and leave the area.
9. At approximately 14:19 hours, Agents relocated their undercover vehicles to the area of 7038 W. 72nd Street, Chicago, Illinois. Agents observed FERGUSON standing in the driveway of this residence behind a white Hyundai Santa Fe bearing Illinois license plate Q23 5240. S/A Labno backed his undercover SUV into this driveway and he and S/A Villacis exited the vehicle. Agents asked FERGUSON where he wanted the merchandise and FERGUSON responded, "right in front of the car." Agents unloaded this undercover SUV and then the undercover box truck. FERGUSON helped Agents unload the vehicles stacking the (16) boxes of "prop" merchandise in front of the white Hyundai.

10. At approximately 14:22 hours, after all the merchandise was unloaded, S/A Labno approached FERGUSON and asked about the whereabouts of the four ounces of cocaine. FERGUSON did not respond verbally but pointed to the area along the side of the house (7038 W. 72nd Street) and S/A Labno looked into the garbage cans. S/A Labno looked back to FERGUSON when he did not see anything and FERGUSON then pointed directly to the fender of a trailer parked alongside the above described residence in the driveway. S/A Labno then observed a white plastic shopping bag. S/A Labno went to this bag and observed that it contained (4) smaller clear plastic bags each containing a chunky off white powder substance—suspect cocaine. S/A Labno should note that the total of these items was approximately 117 grams of suspect cocaine. S/A Labno then took the bag containing the suspect cocaine and FERGUSON apologized saying, “Sorry bro, I just don’t like to talk.” S/A Labno then provided the cocaine to S/A Villacis and then walked over to FERGUSON for a brief conversation.
11. Specifically, S/A Labno told FERGUSON he would be in touch with FERGUSON about the cigarettes in the future. In addition, S/A Labno told FERGUSON that he wanted to have a meal with FERGUSON and learn how FERGUSON had taken his cocaine business to “another level.” S/A Labno built upon a past conversation with FERGUSON and advised that he was interested in learning how FERGUSON began doing what he was doing regarding real estate, etc. FERGUSON responded, “I’ll come out there. Jessie told me all about you. I’ll come out there and meet you.” S/A Labno suggested lunch and FERGUSON agreed saying, “I told you, whenever you’re ready. You’re a good man.” S/A Labno and FERGUSON then said good bye and Agents left the area in their undercover vehicles.
12. S/As Labno and Clune subsequently photographed and inventoried the above described (117) grams of suspect cocaine. Agents then used a SIRCHIE Mark Cocaine ID Swipe field test kit to test the above described suspect cocaine; this test kit indicated positive for the presence of cocaine.
13. S/A Labno should note that a computer records check of the Illinois Secretary of State revealed that Illinois License plate Q235240 is listed as a 2004 Hyundai Santa Fe registered to Michael Cooper at 520 S. Green Street, Piper City, Illinois 60959.
14. This is only a summary of this undercover contact, and reference should be made to the electronic surveillance evidence inventoried as evidence pursuant to this undercover contact for more information.